

COMMUNITY AFFAIRS COMMITTEE

DATE: May 8, 2006

CALLED TO ORDER: 5:05 p.m.

ADJOURNED: 5:33 p.m.

ATTENDANCE

ATTENDING MEMBERS

Greg Bowes, Chair

Patrice Abdullah

Rozelle Boyd

Susie Day

ABSENT

Ginny Cain

Joanne Sanders

James Bradford

AGENDA

PROPOSAL NO. 169, 2006 - approves the issuance of Marion County, Indiana, Family and Children Fund General Obligation Notes, Series 2006, in an original aggregate principal amount not to exceed \$32,250,000 and appropriating the proceeds of the borrowing

"Do Pass as Amended"

Vote: 4-0

PROPOSAL NO. 239, 2006 - recognizes Indianapolis as a city committed to inclusion and a member of the Partnership for Working Toward Inclusive Communities

"Postponed"

Vote: 4-0

Community Affairs Committee

The Community Affairs Committee of the City-County Council met on Monday, May 8, 2006. Chair Greg Bowes called the meeting to order at 5:05 p.m. with the following members present: Patrice Abdualлах, Rozelle Boyd, and Susie Day. Absent were Ginny Cain, Joanne Sanders, and James Bradford.

PROPOSAL NO. 169, 2006 - approves the issuance of Marion County, Indiana, Family and Children Fund General Obligation Notes, Series 2006, in an original aggregate principal amount not to exceed \$32,250,000 and appropriating the proceeds of the borrowing

Barbara Lawrence, Executive Director, Indianapolis Bond Bank, stated this proposal certifies that there was a shortfall, and it is required under the legislation to actually have an amount greater than what was included in the prior proposal, so therefore, the proposal was postponed at the last meeting to prepare an amended version.

{Clerk's Note: Amended Proposal 169, 2006 is attached as Exhibit A.}

Ms. Lawrence stated that the amount is increasing from \$32,250,000 to \$33,360,000. The other charges included the increase in the interest rate from 4.5% to 4.6% and the tax rate levy increase over 2006 will be an additional 5.3 cents. Ms. Lawrence stated that on page 4 of the amended proposal, the amount of \$35 million is there because they are going to have to allocate and pay interest costs over and above the \$33,360,000.

Councillor Boyd moved, seconded by Councillor Abdualлах, to "Amend" Proposal No. 169, 2006. The motion carried by a 4-0 vote.

Chair Bowes asked if Ms. Lawrence could explain the difference between the interest rates. Ms. Lawrence stated that the interest rates are escalating somewhat so they needed to give some flexibility. Chair Bowes asked if we are trending up or down on interest and if we are being benefited by taking care of this proposal immediately. Ms. Lawrence stated the Bond Bank might get a lower interest rate, but they are going to have more days of interest expense. In terms of timing, drawing on the funds will be around August of 2006. Chair Bowes asked if the funds will be used by August. Ms. Lawrence answered in the affirmative.

Councillor Abdualлах asked if this transaction will cause disruptions in the payments to the foster parents, and contractors. Ms. Lawrence stated that there will be no interruptions in the payments. Councillor Abdualлах asked if there are any anticipated problems and if there will be a request for more funds. Dan Carmin, Director, Marion County Office of Family and Children (OFC), told the committee the number of children had leveled off in the first two months of this year after an increase in the final three months of 2005, but stated that he is not prepared to say that this is a lasting trend. OFC's hope is to change the way business is done and lower the case loads. Chair Bowes asked if, assuming the leveling off would last the rest of the year, would the \$33.36 million number cover the department's expenses for the rest of the year. Mr. Carmin answered in the affirmative stating that hopefully it would be lower.

Ms. Lawrence presented a PowerPoint presentation in detail, which is attached as Exhibit B. Some key points of the presentation were as follows:

- Family and Children Fund
 - 2005 Borrowing
 - 2006 Borrowing
- Tax Impact Estimates
- Process

Ms. Lawrence stated that the Family and Children fund is authorized and administered by the State of Indiana Department of Child Services, which includes child welfare, foster care, adoption services, and other child and family programs. She also stated that the program is a State program that is funded by a local tax rate. Chair Bowes asked if there is anyone from City or County government who is supervising placements of the children. Mr. Carmin answered in the negative. Chair Bowes asked if this a program that the County does not operate, yet pays for it. Ms. Lawrence answered in the affirmative.

Ms. Lawrence continued on with the presentation stating that this proposal allows borrowing up to \$ 33.36 million that will cover the \$32 million dollar shortfall, costs associated with financing, and allowance for capitalized interest. She also stated that the 4.6% interest rate repayment total roughly \$34.52 million and repayment is from the increased 2007 property tax levy. The Bond Bank is remaining flexible to determine best options for financing, issuing bonds or a loan from a local institution.

Ms. Lawrence went on to discuss the Debt Service Tax Rate portion of the presentation which states that the projected tax rate for borrowing \$34.52 million was about \$0.0904. She stated that a home of \$ 100,000, the impact would be in the \$56 dollar range and that is based on the tax rate. She explained that if the rate changed, so would the dollar amount. Chair Bowes asked what the \$56 dollar amount covers. Ms. Lawrence stated that amount is what is needed for the full \$35 million, and it represents about a \$29 dollar increase because of the levy in place now for the 2005 borrowing. Ms. Lawrence stated that there is a levy in place right now to cover the \$17 million that was borrowed last year and we are paying that tax rate now. Ms. Lawrence stated that the process that needs to be completed for the OFC Fund consists of Council consideration and approval of the borrowing, determining the best financing method, loan closing and working with the DLGF to implement a tax rate to support the borrowing.

Councillor Abdullah moved, seconded by Councillor Boyd, to send Proposal No. 169, 2006 to the full Council with a "Do Pass as Amended" recommendation. The motion carried by a 4-0 vote.

PROPOSAL NO. 239, 2006 - recognizes Indianapolis as a city committed to inclusion and a member of the Partnership for Working Toward Inclusive Communities

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Councillor Abdullah stated that since Councillor Nytes, who is the sponsor of the proposal, was not able to make the committee meeting that it should be postponed until the next scheduled meeting.

Councillor Abdullah moved, seconded by Councillor Boyd, to "Postpone" Proposal No. 239, 2006. The motion carried by a 4-0 vote.

With no further business pending, and upon motion duly made, the Community Affairs Committee of the City County Council was adjourned at 5:33 p.m.

Respectfully submitted,

Greg Bowes, Chair
Community Affairs Committee

GB/lw